



Office of Representative Heath Shuler

Representing North Carolina's Eleventh Congressional District

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Rep. Shuler Making College More Affordable for N.C. Students ***Largest Investment in Student Aid since the G.I. Bill Moves to President's Desk***

Washington, D.C. – Representative Heath Shuler today voted with a bipartisan majority of the House of Representatives for the final passage of a bill that will provide the largest investment in student aid since the 1944 G.I. Bill. The College Cost Reduction Act, H.R. 2669, will help thousands of North Carolina students and families pay for college – and do so at no new cost to U.S. taxpayers. The bill now goes to the White House to be signed into law by the President.

The College Cost Reduction and Access Act combines key elements of House and Senate bills that were passed in July. The conference report for H.R. 2669 will increase college financial aid by more than \$20 billion over the next five years. The bill pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by \$20.9 billion. It also includes \$750 million in federal budget deficit reduction.

Every year over 90,000 students at North Carolina's 4-year public colleges and universities take out need-based loans to pay for their education. The typical North Carolina student finishes their education with more than \$13,000 in debt.

"As we compete in the global marketplace of the 21st Century, we must invest in our children's education. The return we see from each dollar that we invest in our children's education is immeasurable," said Rep. Shuler. "It is one of the greatest investments we can make for our future."

Under the legislation, the maximum value of the Pell Grant scholarship would increase by \$1,090 over the next five years, reaching \$5,400 by 2012. This increase would fully restore the purchasing power of the scholarship, which in recent years had been frozen at \$4,050 until Congress boosted its value to \$4,310 earlier this year. Close to 6 million low- and moderate-income American students would benefit from this increase. More than 146,000 students in North Carolina benefit from the Pell Grant program.

The bill also cuts interest rates in half on need-based student loans, reducing the cost of those loans for millions of student borrowers. Like legislation passed by the House earlier this year, the College Cost Reduction Act would cut interest rates from 6.8 percent to 3.4 percent in equal steps over the next four years. Once fully phased-in, this would save the typical student borrower – with \$13,800 in need-based student loan debt – \$4,400 over the life of the loan.

"We must ensure that the doors to America's colleges and universities remain open to every student, regardless of their family's wealth. With this bill, along with the work we have already done this year in the House, we are ensuring that every American student who wants to go to college can go to college," Rep. Shuler concluded.

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